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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

BOB STUMP, Chairman
GARY PIERCE
BRENDA BURNS
BOB BURNS
SUSAN BITTER SMITH

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AZ CORP COMMISSION
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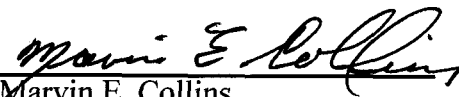
DOCKET NO. W-02069A-08-0406

IN THE MATTER OF THE APPLICATION OF
SUNRISE WATER CO., AN ARIZONA
CORPORATION, FOR A DETERMINATION OF
THE CURRENT FAIR VALUE OF ITS UTILITY
PLANT AND PROPERTY AND FOR
INCREASES IN ITS RATES AND CHARGES
BASED THEREON FOR UTILITY SERVICE

**AFFIDAVIT OF CUSTOMER
NOTICE**

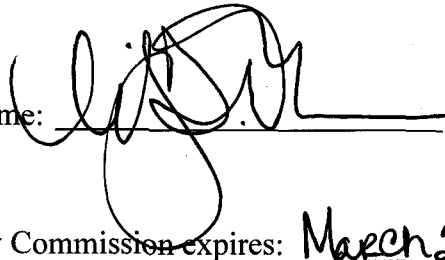
Affidavit of Marvin E. Collins

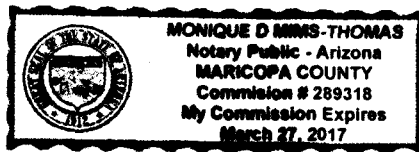
1. I am employed by Sunrise Water Co. ("Sunrise") as its Manager.
2. Exhibit A to this Affidavit is a copy of the Notice I caused to be sent on August 15, 2013, to Sunrise's customers of record.


Marvin E. Collins

STATE OF Arizona)
) ss.
COUNTY of Maricopa)

Subscribed and sworn before me on August 16, 2013.

Name: 



My Commission expires: March 27, 2017

Arizona Corporation Commission
DOCKETED

AUG 23 2013

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**PUBLIC NOTICE OF SUNRISE WATER CO.'S REQUEST TO RECOVER
INCOME TAX EXPENSE AS OPERATING EXPENSE
(DOCKET NO. W-02069A-08-0406)**

Summary

On December 23, 2009, in this docket, the Arizona Corporation Commission ("Commission") issued Decision No. 71445 establishing permanent rates for Sunrise Water Co. ("Sunrise"). In that Decision, due to Sunrise's status as an S corporation, the Commission rejected Sunrise's argument to allow recovery of income tax expense as an operating expense.

On February 22, 2013, in Docket No. W-00000C-06-0149, the Commission issued Decision No. 73739, adopting a Revised Policy Statement reversing the Commission's position on treatment of income tax expense for tax pass-through entities, including S corporations. In the Revised Policy Statement, the Commission established a method for determining allowable income tax expense.

On June 14, 2013, in this docket, Sunrise filed a Motion to Amend Decision No. 71445 Pursuant to A.R.S. § 40-252 ("Request"), requesting that the Commission amend Decision No. 71445 to allow Sunrise to recover income-tax expense as an operating expense. With its Request, Sunrise included schedules setting forth its income tax expense calculations, a revised revenue requirement, and corresponding revised rates.

At its Staff Meeting on June 27, 2013, the Commission voted to reopen Decision No. 71445 pursuant to A.R.S. § 40-252, but without limiting the scope of the A.R.S. § 40-252 proceeding to the income tax issue raised in Sunrise's Request.

Sunrise has proposed that both the monthly base charges and the volume charges for water usage be increased to generate the additional revenue requested, with the proposed increases to base charges ranging from \$0.37 to \$3.99 based upon meter size and the proposed increases to volumetric charges ranging from \$0.04 to \$0.07 per thousand gallons based upon tier of consumption.

For a residential customer served by a 3/4" or a 1" meter, approval of Sunrise's Request would have the following impact on a monthly bill with average usage:

	Usage (Gallons)	Current Bill	Proposed Bill	Dollar Increase	Percentage Increase
3/4" Meter Residential	17,782	\$61.56	\$62.97	\$1.40	2.28%
1" Meter Residential	26,737	\$95.17	\$97.40	\$2.22	2.34%

The Commission's Utilities Division ("Staff") is in the process of analyzing Sunrise's Request and has not yet made any recommendations regarding the Request. The Commission will determine the appropriate relief to be granted based on the evidence presented by the parties to this matter. The Commission may make its decision based upon the parties' filings in this case, without holding an evidentiary hearing.

THE COMMISSION IS NOT BOUND BY THE PROPOSALS MADE BY ANY PARTY, INCLUDING STAFF. THE COMMISSION MAY APPROVE OR DISAPPROVE SUNRISE'S REQUEST OR MAY APPROVE THE REQUEST WITH MODIFICATIONS. THE COMMISSION'S DECISION MAY RESULT IN RATES THAT DIFFER FROM AND MAY BE HIGHER OR LOWER THAN THE RATES REQUESTED BY SUNRISE OR RECOMMENDED BY ANY OTHER PARTY.

How You Can View the Parties' Filings

Copies of Sunrise's Request are available from Sunrise at the Company's Office located at 9098 W. Pinnacle Peak Road, Peoria, Arizona and at the Commission's Docket Control Center at 1200 West Washington, Phoenix, Arizona, for public inspection during regular business hours, and on the Internet via the Commission's website (www.azcc.gov) using the e-Docket function, located at the bottom of the webpage.

How Interested Persons May Participate

An interested person may participate in this matter by (1) providing written or oral public comment, or (2) filing for intervention and becoming a formal party to the proceeding. An interested person may file written public comments

Exhibit A
Customer Notice

regarding Sunrise's Request at any time. Written public comments should refer to **Docket No. W-02069A-08-0406** and may be sent to the Commission, as follows:

Mail: Arizona Corporation Commission, Consumer Services Section, 1200 West Washington Street,
Phoenix, AZ 85007.

E-mail: mailmaster@azcc.gov

An optional public comment form is available on the Commission's website (www.azcc.gov), by clicking on "Public Comment." Anyone requiring assistance may contact the Consumer Services Section at 1-800-222-7000.

Persons who do not intervene will receive no further notice of the proceedings in this docket. **However, all documents filed in this docket are available online** (usually within 24 hours after docketing) through the Commission's website (www.azcc.gov) using the e-Docket function, located at the bottom of the website homepage. RSS feeds are also available through e-Docket.

About Intervention

Any person or entity entitled by law to intervene and having a direct and substantial interest in the matter will be permitted to intervene. The granting of intervention entitles a person to participate as a party by presenting evidence. **Anyone wishing to intervene must file an original and 13 copies of a written motion to intervene with the Commission's Docket Control Center no later than September 9, 2013, and must send a copy of the motion to Sunrise or its counsel and to all parties of record.** Contact information for Sunrise and the other parties of record may be obtained using the Commission's e-Docket function and Docket No. W-02069A-08- 0406.

Each motion to intervene must contain the following:

1. Name, address, and telephone number of the person requesting intervention, and the name, address, and telephone number of any person upon whom service of documents is to be made, if not the same person;
2. A short statement of the prospective intervenor's interest in the proceeding (e.g., a customer of Sunrise, a shareholder of Sunrise, etc.); and
3. A statement certifying that a copy of the motion to intervene has been mailed to Sunrise or its counsel and to all parties of record in the case.

The granting of motions to intervene is governed by A.A.C. R14-3-105, except that all motions to intervene must be filed on or before September 9, 2013.

A sample intervention request form is available at <http://www.azcc.gov/divisions/utilities/forms/interven.pdf>.

All parties must comply with Arizona Supreme Court Rules 31 and 38 and A.R.S. § 40-243 with respect to the practice of law and admission pro hac vice.

ADA/Equal Access Information

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as a sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, Shaylin Bernal, E-mail SABernal@azcc.gov, voice phone number 602-542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.